

#### **VIA ECFS**

June 28, 2017

Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th Street, SW Room TW-A325 Washington, DC 20554

RE:

South Arkansas Telephone Company, SAC 401702 Submission of FCC Form 481 Annual Report WC Docket No. 14-58 – ETC Annual Reports and Certifications

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, South Arkansas Telephone Company ("the Company"), Study Area Code 401702, hereby files its FCC Form 481 – Carrier Annual Reporting Data Collection Form. *The version of the Company's FCC Form 481 submitted via the FCC's Electronic Comment Filing System (ECFS) is a redacted version of the filing that contains no confidential information.* 

Section 3005 of FCC Form 481 requires privately-held rate-of-return carriers receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). South Arkansas Telephone Company, by its authorized representative, hereby seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.¹ The *Protective Order* specifically covers the information required by 47 C.F.R. §54.313(f)(2).

South Arkansas Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the FCC Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

T (972) 387-4300 F (972) 960-2810

8750 N. Central Expressway Suite 300 Dallas, TX 75231

Assurance, tax, and consulting offered through
Moss Adams LLP. Wealth management offered through
Moss Adams Wealth Advisors LLC. Investment banking
offered through Moss Adams Conital LLC.

<sup>&</sup>lt;sup>1</sup> Connect America Fund, ETC Annual Reports and Certifications, WC Docket Nos. 10-90 and 14-58, Protective Order, 31 FCC Rcd 2089 (2016).

Each page of the Company's financial annual report and the financial summary page on the FCC Form 481 bear the legend, "CONFIDENTIAL INFORMATION — SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via the ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

The FCC Form 481 has also been filed with the relevant state commissions and Tribal governments, as appropriate.

Please contact me if you have any questions.

Sincerely,

Tym Rutkowski

Authorized Representative for South Arkansas Telephone Company

TR/jr

cc: Daniel Greig, South Arkansas Telephone Company

FCC For	rm 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name: Person USAC should contact with questions about this data	Greg Ashcraft	
<035>	Contact Telephone Number: Number of the person identified in data line <030>	8709424344 ext.	
<039>	Contact Email Address: Email of the person identified in data line <030>	greg@satco.biz	
	Form Type	54.313 and 54.422	

(200) Service Outage Reporting (Voice)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

Data Con	ection roini									/ 2013	osoo, civis control i	0. 3000 0013
<010>	Study Area Co	ode				401702						
<015>	Study Area Na	ame				SOUTH ARKAN	SAS TEL					
<020>	Program Year					2018						
<030>	Contact Name	e - Person USAC	should contac	t regarding this	s data	Greg Ashcra	ft					
<035>					30> 8709424344	ext.						
<039>	Contact Email	Address - Ema	il Address of pe	erson identified	l in data line <0	30> greg@satco.	biz					
<210>	For the prior	r calendar yea	ar, were there	any reportal	ble voice serv	ice outages?	No					
<220>	<a></a>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<c1></c1>	<c2></c2>	<d></d>	<e></e>	<f></f>	<g></g>	<h>&gt;</h>
	NORS Reference Number	Outage Start Date	Outage Start Time	Outage End Date	Outage End Time	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	Service Outage Description (Check all that apply)	Did This Outage Affect Multiple Study Areas (Yes / No)	Service Outage Resolution	Preventative Procedures

	fulfilled Service Request ection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in data line <030	0> 8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <03	0> greg@satco.biz	
<300> U	nfulfilled service request (voice)	0	
<310> [	Detail on attempts (voice)		
		Name of Attached Document	
<320>	Unfulfilled service request (broadband)	0	
<330>	Detail on attempts (broadband)		
		Name of Attached Document	

(400) Number of Complaints per 1,000 customers	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should conta	act regarding this data Greg	Ashcraft
<035>	Contact Telephone Number - Number of p <030>	erson identified in data line	8709424344 ext.
<039>	Contact Email Address - Email Address of <030>	person identified in data line	greg@satco.biz
<400>	Select from the drop-down list to indicate voice complaints (zero or greater) for voice calendar year for each service area in which any facilities you own, operate, lease, or o	e telephony service in the prior h you are designated an ETC fo	
<410>	Complaints per 1000 customers for fixed v	roice	0.0
<420>	Complaints per 1000 customers for mobile	e voice	
<430>	Select from the drop-down list to indicate end-user customer complaints (zero or gre the prior calendar year for each service ar an ETC for any facilities you own, operate,	eater) for broadband service in ea in which you are designated	
<440>	Complaints per 1000 customers for fixed b	proadband	0.0
<450>	Complaints per 1000 customers for mobile	e broadband	

	npliance With Service Quality Standards and Consumer Protection Rules ection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	·
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz	
<500>	Certify compliance with applicable service quality standards and consumer pro	otection rules Yes	
		401702ar510.pdf	
<510>	Descriptive document for Service Quality Standards & Consumer Protection Ru	lles Compliance	
<515>	Certify compliance with applicable minimum service standards		

(600) Functionality in Emergency Situations	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	401702ar610.pdf

•	rice Offerings including Voice Rate Data Illection Form		FCC Form 481  OMB Control No. 3060-0986/OMB Control No. 3060-0819  July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this dat	a Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in da	ata line <030> 8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in d	ata line <030> greg@satco.biz	
	Residential Local Service Charge Effective Date  1/1/2 Single State-wide Residential Local Service Charge 17.45		

<703>	<a1></a1>	<a2></a2>	<a3></a3>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<b5></b5>	<c></c>
					Residential Local			Mandatory Extended Area	
	State	Exchange (ILEC)	SAC (CETC)	Rate Type	Service Rate	State Subscriber Line Charge	State Universal Service Fee	Service Charge	Total per line Rates and Fee
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(710) Broadbrand Price Offerings	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code 4	01702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz

<711>	<a1></a1>	<a2></a2>	<b1></b1>	<b2></b2>	<c></c>	<d1></d1>	<d2></d2>	<d3></d3>	<d4></d4>
_	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select }
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-				- See attac	hed				
ļ				<del>worksheet -</del>					
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L									

	erating Companies lection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz
<810>	Reporting Carrier South Arkansas Telephone Company	

<811> Holding Company <812> Operating Company

South Arkansas Telephone Company

<813>	<a1></a1>	<a2></a2>	<a3></a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
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(900) Tri	bal Lands Reporting		FCC Form 481
	lection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
			July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft 8709424344 ext.	
<035>	Contact Telephone Number - Number of person identified in data line <030>	greq@satco.biz	
<039>	Contact Email Address - Email Address of person identified in data line <030>		
<900>	Does the filing entity offer tribal land services? (Y/N)	No	
<910>	Tribal Land(s) on which ETC Serves		
<920>	Tribal Government Engagement Obligation	Name of Attached Docu	iment
to confi	company serves Tribal lands, please select (Yes,No, NA) for each these boxes rm the status described on the attached PDF, on line 920, strates coordination with the Tribal government pursuant to 3(a)(9) includes:	Select Yes or No or Not Applicable	
<921> <922>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.  Feasibility and sustainability planning;		
<923>	Marketing services in a culturally sensitive manner;		
<924>	Compliance with Rights of way processes		
<925>	Compliance with Land Use permitting requirements		
<926>	Compliance with Facilities Siting rules		
<927>	Compliance with Environmental Review processes		
<928>	Compliance with Cultural Preservation review processes		
<929>	Compliance with Tribal Business and Licensing requirements.		

	oice and Broadband Service Rate Comparability lection Form		FCC Form 481  OMB Control No. 3060-0986/OMB Control No. 3060-0819  July 2013
<010>	Study Area Code		401702
<015>	Study Area Name		SOUTH ARKANSAS TEL
<020>	Program Year		2018
<030>	Contact Name - Person USAC should contact regarding this data		Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line	<030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line	e <030>	greg@satco.biz
<1000>	Voice services rate comparability certification	Yes	
<1010>	Attach detailed description for voice services rate comparability compliance	4017	02ar1010.pdf
			Name of Attached Document
<1020>	Broadband comparability certification		s - Pricing is no more than the most recent applicable benchmark announced by Wireline Competition Bureau
<1030>	Attach detailed description for broadband comparability compliance	40170	02ar1030.pdf
			Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form			FCC Form 481  OMB Control No. 3060-0986/OMB Control No. 3060-0819
			July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz	
<1100>	Certify whether terrestrial backhaul options exist (Y/N)	Yes	
<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 upstream within the supported area pursuant to § 54.313(g).	s kbps	

(1200) Te	rms and Condition for Lifeline Customers	FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Coll	ection Form	July 2013
<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz
	Г	401702ar1210.pdf
		401/02d1210.pd1
.4240:	Tanas O Caralitia a afficia Talanka a Ufalia Blass	
<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	
	•	Name of Attached Document
<1220>	Lieb to Dublic Walnuts	
<1220>	Link to Public Website HTTP	
	<del>-</del>	
"Dlaasa cl	heck these boxes below to confirm that the attached document(s), on line 1210,	
	bsite listed, on line 1220, contains the required information pursuant to	
	(a)(2) annual reporting for ETCs receiving low-income support, carriers must	
annually i		
aiiiiuaiiy i	eport.	
<1221>	Information describing the terms and conditions of any voice	
	telephony service plans offered to Lifeline subscribers,	
<1222>	Details on the number of minutes provided as part of the plan,	
11222	betails on the number of minutes provided as part of the plan,	
	_	
<1223>	Additional charges for toll calls, and rates for each such plan.	

(2005) Price Cap Carrier Additional Documentation			FCC Form 481
Data Col	lection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz	

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

#### **Incremental Connect America Phase I reporting**

<2011>	3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.		
<2022>	Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in		
	question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for		
	projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.		
<2023>	The attachment on line 2024 includes a statement of the total amount of		
	capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of		
	census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.		
<2024A>	Round 2 Recipient of Incremental Support?		
<2024B>	Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	
<2025A>	Round 2 Recipient of Incremental Support?	Required information	
<2025B>	Attach geocoded Information for Phase I milestone reports (Round 2 for	Name of Attached Document Listing	
	year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).	Required Information	
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		$\neg$
<b>\2013&gt;</b>	2010 and ruture 1102en support Certification 47 CFN 9 34.515(c)(4)		

Data Collection Fo	arrier Additional Documentation orm Return Carriers affiliated with Price Cap Local Exchange Carriers	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<2016>	Carrier Connect America ICC Support {47 CFR § 54.313(d)} Certification support used to build broadband America Phase II Reporting {47 CFR § 54.313(e)}	
<2017A>	Connect America Fund Phase II recipient?	
<2017C>	Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.	
<2018>	Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)	Name of Attached Document Listing Required Information
<2019>	Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)	

(3005) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
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<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)				
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}	Ye	s - Atta	ach Certificat	401702ar3010.pdf
(3010B)	Please Provide Attachment	Name of Attached Docun	ment List	ing Required	
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community A	Anchors		
(3012B)	Please Provide Attachment	Name of Attached Docun Information	ment List	ing Required	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § $54.313(f)(2)$ }	(Yes/No)	<b>O</b>	0	
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	•	O	
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)			<b>✓</b>	
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		L	<b>✓</b>	401702ar3017.pdf
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Docun Information	ment List	ing Required	
(3018)	If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	(Yes/No)	0	O	
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers				
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows				
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:				
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers				
(3023)	Underlying information subjected to a review by an independent certified public accountant				
(3024)	Underlying information subjected to an officer certification.				
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows				
(3026)	Attach the worksheet listing required information	Name of Attached Docun Information	nent List	ing Required	

(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz
		· ·

Financial Data Summary		
(3027) Revenue		

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends



(4005) Rural Broadband Experiment Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data li	ne <030> 8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data li	ine <030> greg@satco.biz

#### 4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

#### Public Interest Obligations - FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001**. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

#### Community Anchor Institutions - FCC 14-98 (paragraph 79)

**4003a**. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

#### If yes to 4003A, please provide a response for 4003B.

relevant geographic area.

<b>4003b.</b> Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	
Broadband Deployment Locations – FCC 14-98 (par	agraph 80)	
<b>4004a</b> . Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.	Name of Attached Document Listing Required Information	
<b>4004b</b> . Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the	Name of Attached Document Listing Required Information	

Certification - Reporting Carrier	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
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<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz

#### TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

# Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. Name of Reporting Carrier: Signature of Authorized Officer: Date Printed name of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Telephone number of Authorized Officer:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form			FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	401702	
<015>	Study Area Name	SOUTH ARKANSAS TEL	
<020>	Program Year	2018	
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft	
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz	

#### TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier			
I certify that (Name of Agent) Moss Adams LLP also certify that I am an officer of the reporting carrier; my responsibilities agent; and, to the best of my knowledge, the reports and data provided to	is authorized to submit the information reported on behalf of the reporting carrier. I include ensuring the accuracy of the annual data reporting requirements provided to the authorized the authorized agent is accurate.		
Name of Authorized Agent: Moss Adams LLP			
Name of Reporting Carrier: SOUTH ARKANSAS TEL			
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/27/2017		
Printed name of Authorized Officer: Greg Ashcraft			
Title or position of Authorized Officer: Secretary/Treasurer			
Telephone number of Authorized Officer: 8709424344 ext.			
Study Area Code of Reporting Carrier: 401702	Filing Due Date for this form: 07/03/2017		
	e or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment of the United States Code, 18 U.S.C. § 1001.		

#### TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients of	on Behalf of Reportin	g Carrier
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipi the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information re		
Name of Reporting Carrier: SOUTH ARKANSAS TEL		
Name of Authorized Agent Firm: Moss Adams LLP		
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE	Date:	06/27/2017
Name of Authorized Agent Employee: Tym Rutkowski		
Title or position of Authorized Agent or Employee of Agent Senior Manager		
Telephone number of Authorized Agent or Employee of Agent: 5097770137 ext.		
Study Area Code of Reporting Carrier: 401702 Filing Due Date for this form: 07/03/2017		
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 18 of the United States Code, 18 U.S.C. § 1001.	47 U.S.C. §§ 502, 503(b), or	fine or imprisonment under Title



# LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

South Arkansas Telephone Company ("the Company") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Company operates are outlined in its local exchange tariff, which is approved by the Arkansas Public Service Commission ("Arkansas PSC"). The tariff contains provisions regarding the Company's customer service and protection practices.

Service quality standards for voice service are established by the Arkansas PSC. The Company consistently meets or exceeds those standards and provides reports to the Arkansas PSC, in accordance with the Arkansas PSC's rules.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Company. The Company also complies with the FCC's Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require the Company to publicly disclose information regarding its network management practices, performance, and the commercial terms of its broadband services.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011).

#### LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

South Arkansas Telephone Company ("the Company") is able to function in emergency situations for both voice and broadband service. Back-up power is provided to the Company's central offices by use of a fixed generator and batteries that provide it with eight to 12 hours of emergency power. In addition, the Company's field electronics have eight hours of back-up power by use of generators and batteries.

The Company has asynchronous transfer mode ("ATM") technology deployed in its core fiber optic network that is self-healing and will automatically reroute traffic should a fiber cut occur. The Company also has sufficient spare cards for its fiber optic network to provide almost instantaneous replacement should there ever be a card failure in the core network. The Company has proper staff in place to repair any fiber cuts in a timely manner.

The Company has connectivity with neighboring telephone exchanges as well as the LATA tandem to provide diverse options to reroute traffic should an emergency arise. The Company has developed and trained its staff on network preparedness plans in case of emergency situations. The Company is prepared and capable of managing traffic spikes resulting from emergency situations and has sufficient switching capabilities to handle such situations.

(700) Price Offerings including Voice Rate Data	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz

<701> Residential Local Service Charge Effective Date 1/1/2017
<702> Single State-wide Residential Local Service Charge 17.45

<703>

<a1></a1>	<a2></a2>	<a3></a3>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<b5></b5>	<c></c>
\d1>	\d2>	\d3/	\D1>	Residential Local	\U3>	\U4>	Mandatory Extended Area	
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Service Rate	State Subscriber Line Charge	State Universal Service Fee	Service Charge	Total per line Rates and Fees
AR	ALL		FR	17.45	0.0	1.05	0.0	18.5

<010>	Study Area Code	401702
<015>	Study Area Name	SOUTH ARKANSAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Greg Ashcraft
<035>	Contact Telephone Number - Number of person identified in data line <030>	8709424344 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	greg@satco.biz

<711>	<a1></a1>	<a2></a2>	<b1></b1>	<b2></b2>	<c> <d1></d1></c>	<d2></d2>	<d3></d3>		<d4></d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
	AR	All	40.0	0.0	40.0	10.0	1.0	999999.0	Other, No Limit on Usage Allowance
	AR	All	72.0	0.0	72.0	12.0	1.0	999999.0	Other, No Limit on Usage Allowance
	AR	All	116.0	0.0	116.0	18.0	1.0	999999.0	Other, No Limit on Usage Allowance
	AR	All	160.0	0.0	160.0	20.0	1.0	999999.0	Other, No Limit on Usage Allowance
							<u> </u>		

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code		401702
<015>	Study Area Name		SOUTH ARKANSAS TEL
<020>	Program Year		2018
<030>	Contact Name - Person USA	AC should contact regarding this data	Greg Ashcraft
<035>	> Contact Telephone Number - Number of person identified in data line <030>		8709424344 ext.
<039>	Contact Email Address - Em	nail Address of person identified in data line <030>	greg@satco.biz
<810>	Reporting Carrier	South Arkansas Telephone Company	
<811>	Holding Company	TLB, Inc.	
<812>	Operating Company	South Arkansas Telephone Company	

<813>	<a1></a1>	<a2></a2>	<a3></a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
=	Telstar Satellite Systems		SATCO
_	AireCast, LLC		AireCast, LLC - Fiber Holding Company
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#### LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's 2017 reasonable comparability benchmark for voice services is \$49.51, which includes the federal subscriber line charge ("SLC").

In all of the exchanges served by South Arkansas Telephone Company ("the Company"), the single-line residential local rate in effect as of January 1, 2017 was \$17.45. When the federal SLC (\$6.50) is included, the total rate was \$23.95. Therefore, the Company's pricing of fixed voice services is less than the reasonable comparability benchmark of \$49.51.

<sup>1</sup> Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations, Public Notice, WC Docket No. 10-90, 32 FCC Rcd 1358 (2017).

#### LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY

As of January 1, 2017, South Arkansas Telephone Company was charging a residential rate of \$40.00 for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than \$77.98, which is the 2017 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> Wireline Competition Bureau Announces Results of 2017 Urban Rate Survey for Fixed Voice and Broadband Services, Posting of Survey Data and Explanatory Notes, and Required Minimum Usage Allowance for ETCs Subject to Broadband Public Interest Obligations, Public Notice, WC Docket No. 10-90, 32 FCC Rcd 1358 (2017).

#### LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Residential customers of South Arkansas Telephone Company ("the Company") who qualify for the Lifeline Program receive a \$9.25 federal discount on local voice telephony service.

In all of the Company's exchanges, the Lifeline single-line residential rate, including the federal subscriber line charge ("SLC"), is \$14.70 (\$23.95 standard rate - \$9.25 discount).

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer's choosing. Customers may elect to subscribe to toll blocking at no charge.

The Company does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Company reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Lifeline customers may subscribe to any voice telephony service bundle that is generally available to the public and will receive the \$9.25 Lifeline discount off the regular price of the bundle.

#### LINE 3010 - CERTIFICATION OF PUBLIC INTEREST OBLIGATIONS

South Arkansas Telephone Company ("the Company") hereby certifies that the Company has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service were met within a reasonable amount of time.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, eathering and maintaining the data needed, and completing and reviewing the collection of information.

searching existing data sources, gathering and maintaining t	he data needed, and cor	mpleting and reviewing	the collection of information.				
USDA-RUS	3		This data will be used by RUS to review your financial situation, You	And the second section of the second			
		and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.  BORROWER NAME  South Arkansas Telephone Company					
							OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS
	STATE OF THE STATE						
INSTRUCTIONS-Submit report to RUS within 30 day	s after close of the p	eriod.	PERIOD ENDING	BORROWER DESIGNATION			
For detailed instructions, see RUS Bulletin 1744-2. R	eport in whole dolla	rs only.	December, 2016	AR0533			
to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 RENEWALS HAVE BEEN OBTAINI	CFR PART 1788 ED FOR ALL PO	rdance with the acc S, CHAPTER XVI LICIES.	ERTIFICATION ounts and other records of the system and reflect the sta I, RUS, WAS IN FORCE DURING THE REPORTI PURSUANT TO PART 1788 OF 7CFR CHAPTER	NG PERIOD AND			
X All of the obligations under the RUS loan doc	ruments	(Check one	e of the following)  There has been a default in the fulfillment of the obliging the following in the fulfillment of the obliging the	nations			
have been fulfilled in all material respects.	uniona		under the RUS loan documents. Said default(s) is/a specifically described in the Telecom Operating Rep	ire			
David Wells		5/2/2017					
<del></del>	to o	DATE	Till the state of				
		PART	A. BALANCE SHEET				
	BALANCE	BALANCE	11.5 V da S/1 (dade) /	BALANCE BALANCE			
ASSETS	PRIOR YEAR	END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	The state of the s			
CURRENT ASSETS	PRIOR TEAR	END OF PERIOD	CURRENT LIABILITIES	PRIOR TEAR END OF PERIOD			
20 August 1 Anna			25. Accounts Payable				
Cash BUS Construction Fund	1						
2. Cash-RUS Construction Fund	•		26. Notes Payable	_			
3. Affiliates:	1		27. Advance Billings and Payments				
a. Telecom, Accounts Receivable	1		28. Customer Deposits				
b. Other Accounts Receivable	•		29. Current Mat. L/T Debt				
c. Notes Receivable	1		30. Current Mat. L/T Debt-Rur. Dev.				
4. Non-Affiliates:	1		31. Current MatCapital Leases				
a. Telecom, Accounts Receivable	1		32. Income Taxes Accrued				
b. Other Accounts Receivable	1		33. Other Taxes Accrued				
c. Notes Receivable	•		34. Other Current Liabilities	-			
Interest and Dividends Receivable	1		35. Total Current Liabilities (25 thru 34)				
6. Material-Regulated	4		LONG-TERM DEBT				
7. Material-Nonregulated	1		36. Funded Debt-RUS Notes	<u> </u>			
8. Prepayments	1		37. Funded Debt-RTB Notes				
9. Other Current Assets	1		38. Funded Debt-FFB Notes				
10. Total Current Assets (1 Thru 9)	1		39. Funded Debt-Other				
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	<del></del>			
11. Investment in Affiliated Companies	1		41. Premium (Discount) on L/T Debt				
a. Rural Development	1		42. Reacquired Debt				
b. Nonrural Development			43. Obligations Under Capital Lease				
12. Other Investments			44. Adv. From Affiliated Companies				
a. Rural Development			45. Other Long-Term Debt				
b. Nonrequiated Investments			46. Total Long-Term Debt (36 thru 45)				
Nonregulated Investments     Other Noncurrent Assets			OTHER LIAB. & DEF. CREDITS				
August and august august august			Other Long-Term Liabilities     Other Deferred Credits				
Deferred Charges     Jurisdictional Differences			49. Other Jurisdictional Differences				
			50. Total Other Liabilities and Deferred Credits (47 thru 49)				
17. Total Noncurrent Assets (11 thru 16)			EQUITY				
PLANT, PROPERTY, AND EQUIPMENT  18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed				
Property Held for Future Use			52. Additional Paid-in-Capital				
20. Plant Under Construction			53. Treasury Stock				
Control Contro			54. Membership and Cap. Certificates				
21. Plant Adj., Nonop. Plant & Goodwill							
22. Less Accumulated Depreciation			55. Other Capital  56. Patronage Capital Credits				
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits				
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins				
			58. Total Equity (51 thru 57)				
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)				

Total Equity =

of Total Assets

USDA-RUS

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

ORROWER	DESIGNATION	

AR0533

PERIOD ENDING

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS  ITEM  PRIOR YEAR  1. Local Network Services Revenues  2. Long Distance Network Services Revenues  3. Long Distance Network Services Revenues  4. Carrier Billing and Collection Revenues  5. Miscolalencous Revenues  6. Miscolalencous Revenues  7. Net Operating Revenues (1 thu 5 lees 6)  8. Plant Specific Operations Expense  9. Plant Norspecific Operations Expense  10. Deprecation Expense  11. Amortization Expense  12. Customer Operations Expense  13. Corporate Operations Expense  14. Total Operating Expenses (8 thu 13)  15. Operating Income or Mergins (7 less 14)  16. Other Operating Income and Expenses  17. Net Operating Income and Expenses  18. Pedestal Income Taxes  19. Pedestal Income Taxes  19. Pedestal Income Taxes  10. Other Taxes  20. Total Operating Income or Margins (15+18-20)  21. Interest Expense—Capital Liases  24. Other Interest Expense  25. Allowance for Funds Used During Construction  26. Total Fixed Charges (2242-924-25)  27. Nonoperating Pedestal Construction  28. Extraordinary Items  29. Total Taxes Based on Income  30. Allowance for Immore or Margins (1417-224-229-30-26)  20. Total Taxes Based on Income  30. Autonoparating or Margins Engining of Year  40. Miscolaineous Credit Yara-Capital  40. Total Net Income or Margins of Margins Engining of Year  41. Transfers to Patronage Capital  42. Transfers to Patronage Capital  43. Retained Earnings or Margins Engining of Year  44. Transfers to Patronage Capital  45. Total Net Income  46. Other Taxes Revenues  47. Transfers to Patronage Capital  48. Transfers to Patronage Capital  49. Patronage Capital Enginemen of West Patronage Capital  40. Other Taxes Revenues  40. Other Taxes Revenues  41. Transfers to Patronage Capital  42. Transfers to Patronage Capital  43. Transfers to Patronage Capital  44. Transfers to Patronage Capital  45. Transfers to Patronage Capital  46. Capital Capital Revenu	TELECOMMUNICATIONS BORROWERS	PERIOD ENDING		
1. Local Network Services Revenues 2. Network Access Services Revenues 3. Long Distance Network Services Revenues 4. Camer Billing and Collection Revenues 5. Miscollaneous Revenues 6. Miscollaneous Revenues 7. Net Operating Revenues 8. Plant Specific Operations Expense 9. Plant Specific Operations Expense 9. Plant Norspecific Operations Expense 10. Depreciation Expense 11. Total Operating Revenues 12. Customer Operations Expense 13. Corporate Operations Expense 14. Total Operating Expenses (6 thru 13) 15. Operating Income or Margins (7 issa 14) 16. Other Operating Expenses 17. Total Operating Expenses (8 thru 13) 18. State and Local Taxes 18. Federal Income Taxes 19. Other Taxes 19. Other Taxes 19. Other Taxes 10. Total Operating Income and Expenses 10. Total Operating Income or Margins (15-16-20) 10. Interest Expense - Capital Leases 10. Interest Expense 10. Other Interest Expense 10. All Operating Income or Margins (15-16-20) 10. Interest Expense 10. Total Operating Income or Margins (15-16-20) 10. Interest Expense 10. Other Interest Expense 10. All Operating Income or Margins (15-16-20) 10. Interest Expense - Capital Leases 10. Total Operating Income or Margins (14-27-28-28-30-26) 10. Total Operating Sepanses 10. Total Taxes Based on Income 10. All Operating Income or Margins (14-27-28-28-30-26) 10. Total Taxes Based on Income 11. Transfers to Patronage Capital 12. Total Net Income 13. Retained Earnings or Margins Educin-Period ((31+33+34) - (35+36+37+38)) 14. Transfers to Patronage Capital 15. Retained Earnings or Margins Educin-Period ((31+33+34) - (35+36+37+38)) 15. Dividentis Decirated (Preferred) 16. Deventing Det Service Payments 17. Text ((31+26) (26)) 18. Total Net Income 19. Patronage Capital Educin-OrVear (40+41-42) 19. P	INSTRUCTIONS- See RUS Bulletin 1744-2	December, 2016		
Local Network Services Revenues	PART B. STATEMENTS OF INCOME	AND RETAINED EARNIN	IGS OR MARGINS	
2. Network Access Services Revenues 3. Long Distance Network Services Revenues 4. Carrier Billing and Collecton Networks 5. Miscollaneous Revenues 5. Miscollaneous Revenues 6. Uncollectible Revenues 7. Net Operating Revenues († thru 5 less 6) 8. Plant Specific Operations Expense 8. Plant Specific Operations Expense 9. Plant Nonspecific Operations Expense 10. Depreciation Expense 11. Amortization Expense 12. Customer Operations Expense 13. Comported Operations Expense 14. Total Operation Expenses 14. Total Operating Expenses (8 thru 13) 15. Operating Income or Margins (7 less 14) 16. Other Operating Income and Expenses 17. State and Local Taxes 18. Federal Income and Expenses 19. Other Taxes 19. Other Taxes 10. Total Operating Income and Expenses 10. Total Operating Income or Margins (7 less 14) 10. Total Operating Income or Margins (7 less 14) 11. Net Operating Income or Margins (7 less 14) 12. Interest Expense 13. Total Operating Income or Margins (15+16-20) 14. Interest Expense 15. Total Toperating Income or Margins (15+16-20) 15. Interest Expense 16. Allowance for Funds Used During Construction 17. Total Tixes Prudis Used During Construction 18. Total Tixes Charles (22-23+24-25) 19. Nonoperating Note Income 28. Extraordinary Items 29. Jurisdictional Differences 20. Other Interest Expense 20. Moven Control State Operating Expenses 20. State Operating Expenses 21. Total Tixes Based on Income 22. Interest Expenses 23. Miscollaneous Credits Year-to-Date 24. Miscellaneous Credits Year-to-Date 25. Total Tixes (15+27-16-16-16) 26. Total Tixes (15+27-16-16-16) 27. Total Tixes (15+27-16-16-16) 28. Retained Earnings or Margins Beginning-of-Year 29. Miscellaneous Credits Year-to-Date 30. Total Total State Operating Expenses 31. Total Tixes (15+27-16-16-16) 32. Total Tixes (15+27-16-16-16-16-16-16-16-16-16-16-16-16-16-	ITEM		PRIOR YEAR	THIS YEAR
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22. Interest on Funded Debt  23. Interest Expense - Capital Leases  24. Other Interest Expense - Capital Leases  25. Allowance for Funds Used During Construction  26. Total Fixed Charges (22+23+24-25)  27. Nonoperating Net Income  28. Extraordinary Items  29. Jurisdictional Differences  30. Nonregulated Net Income  31. Total Net Income or Margins (21+27+28+29+30-26)  32. Total Taxes Based on Income  33. Retained Earnings or Margins Beginning-of-Year  34. Miscellaneous Credits Year-to-Date  35. Dividends Declared (Common)  36. Dividends Declared (Preferred)  37. Other Debits Year-to-Date  38. Transfers to Patronage Capital  39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]  40. Patronage Capital Beginning-of-Year  41. Transfers to Patronage Capital  42. Patronage Capital Credits Retired  43. Patronage Capital End-of-Year (40+41-42)  44. Annual Debt Service Payments  45. Cash Ratio [(14+20-10-11) / 7]  46. Operating Accrual Ratio [(14+20-10-11) / 7]  47. TIER [(31+26) / 26]	The same of the control of the contr			
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42. Patronage Capital Credits Retired  43. Patronage Capital End-of-Year (40+41-42)  44. Annual Debt Service Payments  45. Cash Ratio [(14+20-10-11) / 7]  46. Operating Accrual Ratio [(14+20+26) / 7]  47. TIER [(31+26) / 26]				
<ul> <li>43. Patronage Capital End-of-Year (40+41-42)</li> <li>44. Annual Debt Service Payments</li> <li>45. Cash Ratio [(14+20-10-11) / 7]</li> <li>46. Operating Accrual Ratio [(14+20+26) / 7]</li> <li>47. TIER [(31+26) / 26]</li> </ul>	41. Transfers to Patronage Capital			
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47. TIER [(31+26) / 26]	45. Cash Ratio [(14+20-10-11) / 7]			
47. TIER [(31+26) / 26]	46. Operating Accrual Ratio [(14+20+26) / 7]			

USDA-RUS

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

R0533

PERIOD ENDED

December, 2016

INSTRUCTIONS - See RUS Bulletin 1744-2

	Part C. SUB	SCRIBER (ACC	ESS LINE), ROUTI	E MILE, & HIGH SPEE	D DATA INFOR	RMATION	
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 R-1 (a) (b)		BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Hampton	21.05	17.45					
Hermitage	21.05	17.45					
Banks	21.05	17.45					
Louann	21.05	17.45					
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	4						

USDA-RUS

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

AR0533

PERIOD ENDED December, 2016

INSTRUCTIONS - See RUS Bulletin 1744-2

Part C. SUBSCRIBER (	ACCESS LINE)	ROUTE MILE, &	HIGH SPEED DATA I	NFORMATION

			4. E	BROADBAND SER	VICE			
Details on Least Expensive Broadband Service							ervice	
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg	Type Of Technology (g)
Hampton				>6,000	768	40.00	StandAlone	DSL
Hermitage				>6,000	768	40.00	StandAlone	DSL
Banks				>6,000	768	40.00	StandAlone	DSL
Louann				>6,000	768	40.00	StandAlone	DSL
Total								

	USDA-RUS			BORROWER DI	ESIGNATION				
	005047110 0500	DT 500		The state of the s	AR0533				
	OPERATING REPO TELECOMMUNICATIONS			11 32700 435350-54 55	PERIOD ENDING				
	TELECOMMUNICATIONS	BORROWERS			December, 2016				
INSTRUCTIONS- See RUS Bu	Illetin 1744-2				Section 2				
		PART D. SYSTE	M DATA	·					
No. Plant Employees	2 No Other Employees	3 Source Miles Served		1.4					
	122 - Kill A Village Milli Myses	13 Samue Same		1 A COME I INSC DOF COL	a con Adula	The Colonian Control of the Control			
		PART E. TOLL	DATA						
Study Area ID Code(s)	2. Types	of Toll Settlements (Check on	e)						
3.0	a.401702	\$1	Interstate:	Average Schedu	ıle	X Cost Basis			
	b								
	C		Intrastate:	Average Schedu	ıle	X Cost Basis			
	d								
	e								
	f								
	g								
	h								
	1								
	F								
	PAI	RT F. FUNDS INVESTED IN I	PLANT DURING	YEAR					
RUS, RTB, & FFB Loan Fun	ids Expended								
Other Long-Term Loan Fund									
3. Funds Expended Under RUS	S Interim Approval								
4. Other Short-Term Loan Fund	ds Expended								
<ol><li>General Funds Expended (C</li></ol>	Other than Interim)								
Salvaged Materials									
7. Contribution in Aid to Constr	uction								
<ol><li>Gross Additions to Telecom.</li></ol>	Plant (1 thru 7)								
	PAF	RT G. INVESTMENTS IN AFF	ILIATED COMPA	NIES					
		CURRENT	YEAR DATA		CUMULATIVE D	ATA			
				Cumulative	Cumulative				
	INVESTMENTS	Investment	Income/Loss	Investment	Income/Loss	Current			
		This Year	This Year	To Date	To Date	Balance			
	(a)	(b)	(c)	(d)	(e)	Ø			
Investment in Affiliated Comp									
Investment in Affiliated Comp	panies - Nonrural Development								

Page 5 of 6

USDA-RUS	BORROWER DESIGNATION	
OPERATING REPORT FOR	AR0533	
TELECOMMUNICATIONS BORROWERS	PERIOD ENDING	
	December, 2016	
PART H CURRENT	DEPRECIATION RATES	
Are corporation's depreciation rates approved by the regulatory authority	DEI REGIATION NATES	
with jurisdiction over the provision of telephone services? (Check one)	YES X	NO
EQUIPMENT CATEGORY	DEPRECIATION R	ATE
Land and support assets - Motor Vehicles		
Land and support assets - Aircraft		
Land and support assets - Special purpose vehicles		
Land and support assets - Garage and other work equipment		
5. Land and support assets - Buildings		
Land and support assets - Furniture and Office equipment		
7. Land and support assets - General purpose computers		
8. Central Office Switching - Digital		
9. Central Office Switching - Analog & Electro-mechanical		
Central Office Switching - Operator Systems     Central Office Transmission - Radio Systems	<del></del>	
12. Central Office Transmission - Circuit equipment		
13. Information origination/termination - Station apparatus		
14. Information origination/termination - Customer premises wiring		
15. Information origination/termination - Large private branch exchanges		
16. Information origination/termination - Public telephone terminal equipr		
17. Information origination/termination - Other terminal equipment		
18. Cable and wire facilities - Poles		
19. Cable and wire facilities - Aerial cable - Metal		
20. Cable and wire facilities - Aerial cable - Fiber		
21. Cable and wire facilities - Underground cable - Metal		
22. Cable and wire facilities - Underground cable - Fiber		
23. Cable and wire facilities - Buried cable - Metal		
24. Cable and wire facilities - Buried cable - Fiber		
25. Cable and wire facilities - Conduit systems		
26. Cable and wire facilities - Other		

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

AR0533

PERIOD ENDED

December, 2016

INSTRUCTIONS – See help in the online application.

	PART I – STATEMENT OF CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
**	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	Net Income	
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain)	
U.	Retirements & Salvage	
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	Net Cash Provided/(Used) by Operations	
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain)	
28.	Net Cash Provided/(Used) by Investing Activities	
29.	Net Increase/(Decrease) in Cash	
30.	Ending Cash	